DIVS

DL/ID

Verification Systems
DIVS

VLS/Passport
VLS & Passport

Project Deliverables:

- Develop governance plans
- Develop cost models
- Develop user agreements
VLS & Passport

• Mississippi
• Hawaii
• Indiana
• Maryland
• Iowa
• Texas
• Wisconsin
DIVS
Birth Record Verification
Birth Record & DL/ID Verification Pilot

Task 1: Develop Verification Capability for DLAs & VRAs

Task 2: VRA Data Analysis & Improvements

Task 3: Implement Birth Record & DL/ID Pilot
Birth Record & DL/ID Verification Pilot

Working Group:
• Mississippi and North Dakota VRAs
• Mississippi DLA
• DIVS PMO, AAMVA & NAPHSIS

Activities:
• Kick off meeting – February 21, 2013
• In-person meeting – April 2&3, 2013
DIVS
S2S Pilot
S2S Governance
DIVS Program Benefits

Mission Critical

- Compliance with State laws
- Reduce costs for interstate compacts
- Highway Safety

Improve the Integrity of US-Issued Credentials
Important Additional Benefits

- Improve Homeland Security
- Combat Identity Theft & Fraud
First Year - Pilot Participants
Maryland, Mississippi, Indiana, Iowa, North Dakota, Wisconsin, Nevada, Florida

Second Year - Pilot Participants
Nebraska, North Carolina, Louisiana, West Virginia
S2S Current Focus

- Requirements Review
- Design Review
- Assist with Development Process
- Pilot Definition and Evaluation Criteria
# Important Milestones

## S2S Pilot

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAMVA S2S Online Specification Complete</td>
<td>Feb-2014</td>
</tr>
<tr>
<td>AAMVA S2S State Procedures Manual Complete</td>
<td>Aug-2014</td>
</tr>
<tr>
<td>AAMVA S2S Web UI and Reports Complete</td>
<td>Sept-2014</td>
</tr>
<tr>
<td>Pilot Year 1 – Pilot Begins</td>
<td></td>
</tr>
<tr>
<td>Service Ready for Certification Testing</td>
<td>Nov-2014</td>
</tr>
<tr>
<td>Service Ready for PRODUCTION Operations</td>
<td>Jan - 2015</td>
</tr>
<tr>
<td>Pilot Year 2 – Post Pilot Begins</td>
<td>Nov-2015</td>
</tr>
<tr>
<td>AAMVA Training Begins for Post-Pilot States</td>
<td>Nov-15 to Oct 16 (monthly)</td>
</tr>
</tbody>
</table>
S2S Governance Committee

DIVS Executive Committee:
  • Bernard Soriano, CA, Chair
  • Steven Fielder, FL
  • Randi Bristol, ID

AAMVA International Board:
  • Patricia McCormick, MN
  • Jennifer Cohen, DE
  • Kurt Myers, PA
S2S Governance

Summarized as two functions:

• Drafting recommendations for the S2S cost model

• Recommending the long term governance entity for S2S
Direction Set by the Working Group

- Objective to get the S2S service to operate without external funding
- Working Group is setting the initial cost structure.
- The long term governance entity will take responsibility in 2017.
S2S operational costs are incremental costs, above the costs currently incurred by AAMVA for CDLIS.

S2S costs will be distinguishable from those of CDLIS.

The five year period (2017-2021) will be the basis for the initial cost model.
The initial S2S user fee will be based on two factors:

• Covering ongoing operational costs (O&M)
• Establishing a fund for the S2S rewrite.

Costs incurred by AAMVA for testing of the states during the implementation of S2S will be covered by a separate, one-time fee.
Direction Set by the Working Group

Fee Composition

An amount that represents the even distribution of **fixed** costs across all participating states.

- Service, programmatic documentation, service security, setting and adhering to privacy guidelines, etc.

An amount that represents those costs that **vary** by state size.
The variable portion of the S2S fee will be based on the number of drivers in a state, not the number of pointers the state has added to S2S.

- US DOT published numbers will be used.
- This approach can be reconsidered in the future.
The 2013 Cost Model will generate a range of costs (high and low) not a specific fee.

Once operational costs are better known (2016), a more precise estimate can be provided.
## S2S Cost Estimates

### Operations & Maintenance - Fixed/Variable Costs

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed costs - Lower range</strong></td>
<td>$1,170,431 $1,201,213 $1,232,919 $1,265,576 $1,299,213</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed costs - Upper range</strong></td>
<td>$1,755,646 $1,801,820 $1,849,379 $1,898,364 $1,948,820</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Variable costs - Lower range</strong></td>
<td>$1,753,456 $2,451,862 $3,184,219 $3,952,040 $4,756,899</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Variable costs - Upper range</strong></td>
<td>$2,630,184 $3,677,793 $4,776,329 $5,928,060 $7,135,348</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Lower Range</strong></td>
<td>$2,923,887 $3,653,075 $4,417,138 $5,217,616 $6,056,112</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Upper Range</strong></td>
<td>$4,385,820 $5,470,613 $6,625,708 $7,826,424 $9,084,168</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## S2S Cost Estimates

### One-time Implementation Cost

**Structured Testing Cost per State**

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lower range</strong></td>
<td>$77,785</td>
<td>$80,119</td>
<td>$82,523</td>
<td>$84,998</td>
<td>$87,851</td>
</tr>
<tr>
<td><strong>Upper range</strong></td>
<td>$116,678</td>
<td>$120,178</td>
<td>$123,784</td>
<td>$127,497</td>
<td>$131,776</td>
</tr>
</tbody>
</table>
## S2S Cost Estimates

### S2S Re-engineering Costs

Need to Save This Much by FY 22

<table>
<thead>
<tr>
<th>Range</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower range</td>
<td>$2,700,509</td>
</tr>
<tr>
<td>Upper range</td>
<td>$3,443,148</td>
</tr>
</tbody>
</table>
S2S Fixed Fee Portion

Original Range of Fixed Costs

$38,000 - $57,000 per state, per year

- Concern was expressed by small population states that both numbers were too high.
- Compromise was reached to lower the fixed fee to **$28,000** (half of Upper Range Fee)
S2S Variable Fee Portion

COST PER DRIVER = $0.0508 (or Less)

Cost Model
For 2017, the **maximum** one-time implementation/structured testing fee = $117,000.

The **maximum** yearly fee, if the state’s driver population is 2 million drivers, would be:

Variable Portion: 2 million $0.0508 = $116,000 per year
Fixed Portion: $28,000 per year
Total fees: $144,000 per year
## 2013 Cost Model Schedule

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommended Cost Model</td>
<td>March 2013</td>
</tr>
<tr>
<td>DIVS &amp; AAMVA Board Review</td>
<td>April 2013</td>
</tr>
<tr>
<td>Obtain Feedback from States</td>
<td>June – August 2013</td>
</tr>
<tr>
<td>Initial Cost Model Complete</td>
<td>September 2013</td>
</tr>
<tr>
<td>Review Actual Costs &amp; Determine if there are unspent grant monies</td>
<td>June 2016</td>
</tr>
<tr>
<td>Finalize Initial Cost Model</td>
<td>September 2016</td>
</tr>
</tbody>
</table>